

APPLICATION FOR PERMIT
TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

Date of filing in State Engineer's Office DEC 21 1993

Returned to applicant for correction _____

Corrected application filed _____

Map filed JAN 19 1994 under 59626

The applicant Lone Tree Mining, Inc.

P.O. Box 388, of Valmy,
Street and No. or P.O. Box No. City or Town

Nevada, 89438, hereby make S. application for permission to appropriate the public
State and Zip Code No.

waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a
copartnership or association, give names of members.) Delaware 2-21-90

1. The source of the proposed appropriation is Underground
Name of stream, lake, spring, underground or other source

2. The amount of water applied for is 18.51 cfs second-feet
One second-foot equals 448.83 gals. per min.

(a) If stored in reservoir give number of acre-feet _____

3. The water to be used for Dewatering
Irrigation, power, mining, manufacturing, domestic, or other use. Must limit to one use.

4. If use is for:

(a) Irrigation, state number of acres to be irrigated _____

(b) Stockwater, state number and kinds of animals to be watered _____

(c) Other use (describe fully under No. 12. "Remarks") See No. 12

(d) Power:

(1) Horsepower developed _____

(2) Point of return of water to stream _____

5. The water is to be diverted from its source at the following point NE 1/4 NW 1/4 of Section 13, T34N, R42E,
Describe as being within a 40-acre subdivision of public
or at a point from which the W 1/4 corner of said Section 13 bears S 44° 16' 11"
survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.
N a distance of 2802.92 ft.

6. Place of use Sections 1, 2, 11, 12, 13, 14, 15, 23, 24 T.34N, R.42E MDB&M
Describe by legal subdivision. If on unsurveyed land, it should be so stated.

7. Use will begin about January 1 and end about December 31, of each year.
Month and Day Month and Day

8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and
specifications of your diversion or storage works.) Well casing, pump and distribution system
State manner in which water is to be diverted, i.e. diversion structure, ditches and

flumes, drilled well with pump and motor, etc.

9. Estimated cost of works.....\$500,000.....
10. Estimated time required to construct works.....Two years.....
If well completed, describe works.
11. Estimated time required to complete the application of water to beneficial use.....Five years.....

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use:

This application is for mine dewatering at Lone Tree Mine. Accordingly, it is the intent of Lone Tree Mining, Inc. that any permit granted pursuant to this application will be related to Lone Tree Mining, Inc.'s other dewatering permits, including without limitation, Permit Nos. 56578-56586. It is the intent of Lone Tree Mining, Inc. that any permit granted hereunder shall be subject to the Rule Concerning Spacing Requirements in a portion of the Clovers Area Groundwater Basin (64) and the Pumpernickel Valley Groundwater Basin (65) and shall be used in accordance with the terms and conditions of that rule.

By s/Cynthia M. DeWeese
P.O. Box 388
Valmy, NV 89438

Compared...bc/bc.....cl/cms

Protested 4/5/94 by: Lander County; by: Humboldt River Basin Water Authority:
protest W/D See Stipulation dated August 12, 1994.

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will (CONTINUED ON PAGE 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 18.51 cubic feet per second.

- Work must be prosecuted with reasonable diligence and be completed on or before May 25, 1998
- Proof of completion of work shall be filed before June 25, 1998
- Application of water to beneficial use shall be filed on or before May 25, 1999
- Proof of the application of water to beneficial use shall be filed on or before June 25, 1999
- Map in support of proof of beneficial use shall be filed on or before N/A

Completion of work filed.....

Proof of beneficial use filed.....

Cultural map filed.....

Certificate No.....Issued.....

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.
State Engineer of Nevada, have hereunto set my hand and the seal of my
office, this 17th day of June
A.D. 1997
[Signature]
State Engineer

Abrogated By: 64928-T 2-1
64933-T 14-23
Port 66016-T 0.9832 port 69977-T 10.3448 Exp 11/10/04
66017-T 1300434
Port 67273-T 0.70 Exp 6-17-02
Port 67274-T 11573 Exp 6-17-02
Port 68572-T 0.2052
Port 68573-T 11.534

(0)-2145 (Rev. 8-87)

(PERMIT TERMS CONTINUED)

be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the groundwater basin.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies, and is specifically issued contingent upon approval by the Nevada Division of Environmental Protection of the dewatering project.

The total combined diversion rate of Permits 54761, 54763, 56406, 56407, 56578, 56951, 57103, 57104, 58385, 58550, 59243, 59244, 59246, 59247, 59248, 59249, 59250, 59251, 59627, 59629, 60288, 60289, 60290, 60291, 60292, 60293, 60294, 60295, 60296, 60297, 60298, 60300, 60301, 60302, 60303, 60606, 60685, 61630-T, 61839-T, 62608, 62609, 62610, 62611, 62612, 62739-T, 62740-T, 62741-T, 62979-T, 62980-T, 62981-T, 62982-T, 62983-T, 62984-T, 62985-T, 62986-T, 62987-T, 62988-T and 62989-T will not exceed 49,400 gallons per minute or 110.06 cubic feet per second for mining, milling and dewatering purposes.

The total volume of water allowed to be diverted under the above mentioned permits and for the same purposes will not exceed 79,682.0 acre-feet annually.

The total combined consumptive duty for mining and milling purposes under the above permits and any changes of these permits must not exceed 6,047.0 acre-feet annually. An additional 10,646.0 acre-feet annually is authorized for substitutive uses.

The limits identified above include 1,576.0 gallons per minute (3.51 cubic feet per second) and 2,543.0 acre-feet annually for sole utilization at the Marigold Mine Project.

All water diverted but not used for mining or milling purposes will be discharged to the Iron Point Relief Canal via the aqueduct completed in June, 1993.

All water diverted will be measured and reported to the State Engineer on a monthly basis. The report will include the amount of water diverted from each well, the amount of water used for mining and milling purposes, and the amount discharged to the Iron Point Relief Canal. This report shall include the amount of water delivered to any other projects. This report must be submitted to the State Engineer within 15 days of the last day of the preceding month.

This permit is issued subject to the "Lone Tree Mining, Inc. Unified Monitoring Plan", March 27, 1993.

The State Engineer will retain the right to require additional monitoring over and above the monitoring required in the monitoring plan mentioned and also will retain the right to seek other disposal options of water discharged to the Iron Point Relief Canal. The State Engineer retains the right to regulate discharge based on flood considerations.

The permittee, on a schedule acceptable to the State Engineer, will prepare and present an update on the activities of the mine and the monitoring plan on a periodic basis, but not less than two times a year.

This permit also incorporates the provisions of Amended Order No. 1086, issued by the State Engineer on January 21, 1994.

A "Stipulation to Withdraw Protest" was made and entered into by and between Santa Fe Pacific Gold Corporation, Lone Tree Mine and its successors, and Lander County on August 12, 1994. A second "Stipulation to Withdraw Protest" was made and entered into by and between Santa Fe Pacific Gold Corporation, Lone Tree Mine and its successors, and the Humboldt River Basin Water Authority in August, 1994. The State Engineer may not concur with and is not bound by the terms and conditions of these stipulations to withdraw protest, pursuant to NAC 533.150.

